

# division of community services



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## Massachusetts Community Capital Fund *Fact Sheet*

The Massachusetts Community Capital Fund (MCCF), a component of the Massachusetts Community Development Block Grant Program (CDBG), offers businesses, located within eligible municipalities, flexible debt financing. MCCF targets those businesses which create and/or retain jobs for low- and moderate-income residents in the Commonwealth.

### **How it works**

MCCF fills financing gaps in projects which can not move forward without federal funds. An important feature of this particular program is its creative and flexible approach to financing, and to negotiating loan rates and terms based on the needs of each borrower. The municipality applies to the Department of Housing and Community Development (DHCD) for MCCF grants on behalf of a local business. If approved, DHCD awards a grant to the municipality which then lends the funds to the business.

MCCF loans may be used for the purchase of equipment, acquisition of real estate, new construction and rehabilitation, working capital and refinancing projects.

Historically, MCCF has played a key role in supporting economic development in the Commonwealth. MCCF has lent over \$25 million to assist 80 projects located in 56 municipalities. This investment created and saved over 3,290 jobs for low- and moderate-income residents.

### **Who is eligible**

- Municipalities with a population under 50,000 **and**
- Municipalities which do not receive CDBG funds directly from the federal Department of Housing and Urban Development (HUD).

**Application  
process**

As with all CDBG programs, MCCF projects must meet at least one of the following federal program criteria: benefit low- and moderate-income individuals, remove slums and blight, or address a critical community need.

Before submitting an application, MCCF requires a preliminary screening to determine whether the proposed plan meets the minimum criteria for funding. It typically takes two-to-three months from the preliminary screening to the actual award and disbursement of funds. Often, a commercial bank will bridge the period between the town's commitment letter and MCCF funding. Applications are reviewed for public benefit, financial need and credit worthiness.

Applications are accepted on an ongoing basis throughout the program year. A community must be housing certified under Executive Order 418 to apply to the Massachusetts Community Capital Fund.

**Loan  
amounts**

\$500,000 maximum per business

\$100,000 minimum per business

A municipality is eligible to receive funds for administrative costs.

Loan terms are generally 3-5 years for working capital, 7 -10 years for equipment, and 15-20 years for real estate.

MCCF can fund a maximum of one third (33%) of the total project cost.

**For more  
information**

Please contact DHCD's Division of Community Services at (617) 573-1400. The staff is also available by appointment to provide assistance with applications.